

Wisconsin (Mr. SENSENBRENNER) that the House suspend the rules and pass the bill, H.R. 1209, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Ms. JACKSON-LEE of Texas. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

#### FARMER BANKRUPTCY CODE EXTENSION ACT

Mr. SENSENBRENNER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1914) to extend for 4 additional months the period for which chapter 12 of title 11 of the United States Code is reenacted.

The Clerk read as follows:

H.R. 1914

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. AMENDMENTS.

Section 149 of title I of division C of Public Law 105-277, as amended by Public Law 106-5, Public Law 106-70, and Public Law 107-8, is amended—

(1) by striking "June 1, 2001" each place it appears and inserting "October 1, 2001", and

(2) in subsection (a)—

(A) by striking "June 30, 2000" and inserting "May 31, 2001", and

(B) by striking "July 1, 2000" and inserting "June 1, 2001".

#### SEC. 2. EFFECTIVE DATE.

The amendments made by section 1 shall take effect on June 1, 2001.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Wisconsin (Mr. SENSENBRENNER) and the gentlewoman from Wisconsin (Ms. BALDWIN) each will control 20 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. SENSENBRENNER).

#### GENERAL LEAVE

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 1914, the bill currently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SENSENBRENNER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 1914.

Without question, the family farmer has always played and continues to play a critical role in our Nation's economic health and well-being. Unfortunately, bad weather, rising energy

costs, volatile marketplace conditions, competition from large agribusinesses, and the economic forces experienced by any small business affect the financial stability of some family farmers.

In response to the special needs of small family farmers in financial distress, our bankruptcy laws offer a particularized form of bankruptcy relief available only to these individuals and businesses. Typically referred to as chapter 12 of the Bankruptcy Code, this form of bankruptcy relief was enacted on a temporary basis as a part of the Bankruptcy Judges, United States Trustees and Family Farmers Bankruptcy Act of 1986. That has subsequently been extended on several occasions, most recently on February 28 of this year, and the extension expired on June 1.

While statistically chapter 12 is utilized rarely; in fact, less than 250 chapter 12 cases were filed in the 12-month period ending March 31, 2001, its availability is crucial to family farmers. Absent chapter 12, family farmers would be forced to file for bankruptcy relief under the code's other alternatives. None of these forms of bankruptcy relief, however, work quite as well for farmers as chapter 12. Chapter 7, for example, would require a farmer to sell the farm and to pay the claims of the creditors. With respect to chapter 13, many farmers would simply be ineligible to file under that form of bankruptcy relief because of its debt limits. Chapter 11 is an expensive and often time-consuming process that does not readily accommodate the special needs of farmers.

By virtue of H.R. 1914, chapter 12 will be reenacted retroactive to June 1 of this year and extended for 4 months through October 1, 2001. It is, however, important to note that H.R. 333, the Bankruptcy Abuse Prevention and Consumer Protection Act of 2001, which the House passed by an overwhelming majority earlier this spring and its Senate counterpart, which the other body also passed by a substantial margin, would make chapter 12 a permanent fixture of the Bankruptcy Code for family farmers. It is my sincere hope that in the very near future, we will be able to proceed to conference on pending House and Senate bankruptcy legislation and to present a conference report for approval by both Houses. In the meantime, I urge my colleagues to vote for H.R. 1914.

Mr. Speaker, I reserve the balance of my time.

Ms. BALDWIN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, once again, we are here today to renew chapter 12 bankruptcy protection for our Nation's family farmers. The bipartisan legislation before us today, H.R. 1914, which I am happy to cosponsor with the gentleman from Michigan (Mr. SMITH), would allow chapter 12 bankruptcy filings to

continue through the end of this fiscal year.

Bankruptcy often requires liquidation of real property rather than reorganization if debtors have significant assets. Of course, for family farmers, this means that their farm equipment and other assets often disqualify them from reorganization under chapters 11 or 13, and they are forced into chapter 7 liquidation. Chapter 12 is specifically tailored for family farmers, and it allows these family farmers to keep essential farm assets and reorganize their debts.

In February, the House passed H.R. 256, also sponsored by the gentleman from Michigan (Mr. SMITH) and myself, which retroactively extended chapter 12 of the Bankruptcy Code through May 31 of 2001. That legislation was signed by President Bush on May 11. However, the chapter 12 authorization has now expired once again, and this legislation will extend chapter 12 protection until September 30, 2001.

The bankruptcy reform bill which has passed both Houses of Congress, H.R. 333, includes a permanent reauthorization of chapter 12; but since the current authorization has expired, our farmers need immediate relief. With the current year's crops in the ground, farmers need to know that they can reorganize and keep their farms. Our bill will provide the security that those family farmers who are in crisis will need to decide whether to stay in business for one more year.

Mr. Speaker, I urge my colleagues to support this bill.

Mr. Speaker, I reserve the balance of my time.

Mr. SENSENBRENNER. Mr. Speaker, I yield 3½ minutes to the gentleman from Michigan (Mr. SMITH), the author of the bill.

Mr. SMITH of Michigan. Mr. Speaker, the next bill we introduce should be that we make this permanent. This seems to me ridiculous that we come before this body every 4 or 5 or 6 months to make a temporary increase in legislation in the bankruptcy law that is so important to American farmers. Let me just tell my colleagues why it is so important to farmers.

Farmers, under the other provisions of the bankruptcy law which the two previous speakers related to, have to file either under chapter 13 or 11 or 7; and in most cases, they are required to sell a lot of their machinery, which means that if they want to try to work themselves out of that financial situation, there is no possibility of doing it without machinery.

It was just a few months ago that we were on this floor of the House urging our colleagues to vote for H.R. 256. This was a bill to retroactively bring chapter 12 to May 31. I am pleased that the bill was signed by the President, but also now we are with this bill that I urge my colleagues to support. I had

hoped that by the end of May the House and Senate would have agreed to a major bankruptcy reform package that would have included permanent chapter 12 protection. Unfortunately, and through no fault of this House, these two bodies have still not reached agreement. Further, it is unclear when such an agreement is going to be reached.

In the meantime, since May 31, family farmers have been without chapter 12 reorganization protection, and that is what brings us here today. Let us not allow the situation that has taken place this last year and the last several months to again disrupt farmers in their effort to be accommodated by chapter 12, which is especially designed for family farmers.

□ 1115

This protection is vitally needed. American farmers continue to suffer drops in net farm income, and farmers are being forced into bankruptcy, and not having chapter 12 means greater hardship for those family farmers.

Enacted, as the chairman said, in the 1986 farm crisis, chapter 12 made significant bankruptcy relief available to a group of Americans that has had difficulty getting credit and managing its assets since the country's founding over two centuries ago.

For example, chapter 7 was accessible to farmers to give them the so-called "fresh start" promised to debtors under the Bankruptcy Code. However, under chapter 7, the farm, which might have been in the family for generations, was usually lost. Congress needed to find a way to ensure that creditors were protected while also ensure that the family farms were able to work themselves out of their current financial problems.

In conclusion, let me say that family farms are in need of permanent chapter 12 relief. Until such relief is enacted, we have a responsibility to protect family farmers in the uncertainty that comes with the on-again off-again provision of chapter 12 protection.

This bill provides protection to family farmers and provides enough time for Congress to reach agreement on permanent Chapter 12 protection a part of a larger reform effort.

Before closing, I would like to thank the Chairman and Ranking Member of the Committee on the Judiciary, the gentleman from Wisconsin, Mr. SENSENBRENNER, and my colleague from Michigan, Mr. CONYERS, and the Chairman and Ranking Minority Member of the Subcommittee on Commercial and Administrative Law, the gentleman from Georgia, Mr. BARR, and the gentleman from North Carolina, Mr. WATT, for their help in bringing this bill to the floor today. I also want to express my thanks to the original co-sponsor of this bill, Ms. BALDWIN, who also was a co-sponsor of H.R. 256, and who agrees that this provision should be made permanent.

Mr. Speaker, H.R. 1914 is a noncontroversial bill that deserves widespread support from

both sides of the aisle. I urge my colleagues to vote yes on H.R. 1914.

Ms. BALDWIN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. SENSENBRENNER. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia (Mr. BARR), the chairman of the subcommittee of jurisdiction.

Mr. BARR of Georgia. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I rise today in support of H.R. 1914. Chapter 12 of Title XI of the United States Code provides bankruptcy relief that is available exclusively for family farmers. It was developed to respond temporarily to the special needs of financially-distressed farmers as part of the Bankruptcy Judges, United States Trustees and Family Farmer Bankruptcy Act of 1986. Extended several times subsequently, it expired on June 1 of this year.

Family farming is constantly beset by forces of nature, and should not have also to deal with forces that we in the Congress can reasonably mitigate. According to a CNN report from last October, "The number of family farms and farmers in the United States are dwindling, and is expected to continue to do so through at least the year 2008, according to the United States Department of Labor, this despite the fact that the country's agricultural exports are expected to grow as developing nations improve their economies and their personal incomes."

Mr. Speaker, H.R. 1914 reenacts chapter 12 of Title XI retroactive to June 1, 2001, and extends it for 4 months to October 1 of this year. I urge my colleagues to vote for H.R. 1914.

Mr. BEREUTER. Mr. Speaker, this Member rises today to express his support for H.R. 1914, which retroactively extends chapter 12 bankruptcy for family farms and ranches to September 30, 2001. Chapter 12 bankruptcy expired on May 31, 2001. This legislation, which this Member agreed to cosponsor on June 5, 2001, is very important to the nation's agriculture sector.

This Member would express his appreciation to the distinguished gentleman from Michigan [Mr. SMITH] for introducing H.R. 1914. In addition, this Member would like to express his appreciation to the distinguished gentleman from Wisconsin [Mr. SENSENBRENNER], the Chairman of the Judiciary Committee, for his efforts in getting this measure to the House Floor for consideration.

This extension of chapter 12 bankruptcy is supported by this Member as it allows family farmers to reorganize their debts as compared to liquidating their assets. The use of the chapter 12 bankruptcy provision has been an important and necessary option for family farmers throughout the nation. It has allowed family farmers to reorganize their assets in a manner which balances the interests of creditors and the future success of the involved farmer.

If chapter 12 bankruptcy provisions are not extended for family farmers, it will be another

very painful blow to an agricultural sector already reeling from low commodity prices. Not only will many family farmers have no viable option other than to end their operations, but it will also cause land values to likely plunge. Such a decrease in value of farmland will negatively affect the ability of family farmers to earn a living. In addition, the resulting decrease in farmland value will impact the manner in which banks conduct their agricultural lending activities. Furthermore, this Member has received many contacts from his constituents supporting the extension of chapter 12 bankruptcy because of the situation now being faced by our nation's farm families—it is clear that the agricultural sector is hurting.

In closing, this Member urges his colleagues to support H.R. 1914.

Mr. GILMAN. Mr. Speaker, I rise in strong support of H.R. 1914, the Family Farmer Bankruptcy Relief Extension. This legislation will extend bankruptcy protection for family farmers by allowing them to reorganize their debt rather than forcing them to liquidate their assets.

This bill will help family farmers in my own congressional district in the "Black Dirt" region of Orange County, New York. Growers in this region have experienced severe and disastrous weather conditions four of the past five growing seasons, leading to a severe reduction of total farms, causing devastation not only for those businesses dependent upon the onion and vegetable \$100-million industry in New York, but for the Valley's families and agricultural community.

Under this bill, chapter 12 of title 11 of the United States Code will be extended for another 4 months from the current expansion date of June 1, 2001.

I urge all of my colleagues to support this family farm friendly bill.

Mr. SENSENBRENNER. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. SUNUNU). The question is on the motion offered by the gentleman from Wisconsin (Mr. SENSENBRENNER) that the House suspend the rules and pass the bill, H.R. 1914.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. SENSENBRENNER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

**HONORING ERIK WEIHENMAYER'S ACHIEVEMENT OF BECOMING THE FIRST BLIND PERSON TO CLIMB MOUNT EVEREST**

Mr. CASTLE. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 150) expressing the sense of Congress that